NEW YORK TIMES 15 July 1983

U.S. Policy Toward Latins Lines of Control Are Blurred

By HEDRICK SMITH Special to The New York Times

WASHINGTON, July 14 — For a month the State Department has been struggling to regain control of Administration policy toward Central America, but White House involvement remains strong and many officials say the lines of authority are so diffuse and collegial that it is hard to pinpoint precisely who runs policy.

Earlier this year Thomas O. Enders, former Assistant Secretary of State for Latin American Affairs, was the most visible policy-maker. But when the White House became engaged last spring in battling Congress for more aid to El Salvador and fighting to protect covert support to Nicaraguan rebels, policy initiative and operational control increasingly passed to the National Security Council staff, the President's political strategists and to the Defense Department.

Ultimately William P. Clark, the President's national security adviser, became a pre-eminent force and pushed Mr. Enders out in late May, according to several officials. Secretary of State George P. Shultz went to President Reagan seeking authority to have his department reassert its traditional management of day-to-day operations.

Lately Mr. Shultz has been more active himself, meeting daily for half an hour with Deputy Secretary Kenneth W. Dam and Langhorne A. Motley, the former Ambassador to Brazil who was sworn in Wednesday as the new Assistant Secretary for Latin American Afairs. And Mr. Dam has taken a lead in important negotiations with Congress on Central American policy.

Casey Backs C.I.A. Operations

But William J. Casey, the Director of Central Intelligence, has strongly advocated pressing ahead with C.I.A. support of covert operations in Nicaragua and the Defense Department's role has expanded with the start early this month of a new 126-man American military training group for Salvadoran Army units in Honduras.

"This is an action-oriented Administration which so far has put a low premium on diplomacy and that means action agencies like the Pentagon and C.I.A. wind up making a lot of policy," said an aide close to the House Democratic leadership.

Moreoever, as Congress worries Mr. Baker.

about the course of civil war in El Salvador and debates the risks of American covert support to the Nicaraguan rebels, Congressional committees have shown an increasing hand in shaping the limits of policy and imposing policy demands in areas such as human rights and new diplomatic missions, much as Congress imposed restrictions in the final phases of the Vietnam War.

STAT

Symptomatic of rising Congressional influence is the growing consensus in Congress-and acquiescence within the Administration for establishing a national all-party commission to frame a broad, long-term economic aid program and policy for Central America.

Its principal sponsors, Senator Henry M. Jackson, a Washington Democrat, and Senator Charles McC. Mathias Jr., a Maryland Republican, assert it could help develop the kind of legislative and popular consensus behind a sustained American policy that Administration officials concede President Reagan has not yet been able to develop.

Senior White House officials agree with that reasoning, recalling how similar commissions helped the Administration reshape its policy and strike vital legislative compromises on revising the Social Security system and linking production of the MX missile to changes in the Administration's arms control proposals.

Similarily, James A. Baker 3d, the White House chief of staff, and the legislative strategy group of which he is chairman, took the lead in exploring whether enough influential Democrats would join in an effort to defeat a move in the House of Representatives to cut off covert aid to Nicaraguan rebels.

White House officials assert that Mr. Casey opposed that effort on the ground that even if the House imposed a ban, it would be defeated in the Senate. But Mr. Baker, evidently joined by Mr. Clark, persuaded President Reagan that his policies needed more overall support in Congress and some good faith efforts were required.

It is typical of the current collegial system, officials said, that responsibility for negotiations with Congress is shared by Mr. Dam and Mr. Clark's deputy on the National Security Council staff, Robert C. MacFarlane. Sometimes they are joined by Mr. Casey or Mr. Baker.